

SENATE BILL NO. 427

INTRODUCED BY R. JOHNSON

A BILL FOR AN ACT ENTITLED: "AN ACT AUTHORIZING A COUNTY TO ISSUE LIMITED GENERAL OBLIGATION BONDS WITHIN THE COUNTY BUT OUTSIDE OF AN INCORPORATED CITY OR TOWN TO FINANCE ROAD CONSTRUCTION AND MAINTENANCE; AMENDING SECTIONS 7-14-2521 AND 7-14-2522, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

NEW SECTION. Section 1. Authorization of road and highway bonds. (1) A county may issue limited general obligation bonds to:

(a) finance the establishment, construction, reconstruction, improvement, maintenance, and repair of county roads;

(b) acquire rights-of-way for roads and highways; or

(c) acquire capital equipment or supplies to improve, maintain, or repair roads and highways.

(2) Bond proceeds may be used to pay the costs for the issuance and sale of the bonds.

(3) The bonds may not be issued for a term longer than 20 years. The bonds may be sold at public or private sale on terms and at prices that the county commissioners determine to be advantageous. The bonds must be authorized, sold, and issued, with provision for their payment, in accordance with the provisions of chapter 7, part 22, of this title, except as those provisions may conflict with the express provisions of this section.

(4) The bonds, except for bonds issued to refund bonds issued for the purpose described in subsection (1), must be authorized by the registered electors of the county, exclusive of the electors residing within the incorporated area of a city or town located in whole or in part within the county, in accordance with the provisions of chapter 7, part 22, of this title.

(5) ~~The bonds do not constitute and may not be included as an indebtedness or a liability for purposes of any statutory debt limitation, including the limitations in 7-7-2101, 7-7-2203, and 7-14-2524, but are subject to the limitations in this section.~~ THE BONDS ISSUED UNDER THIS SECTION ARE SUBJECT TO ANY OTHER STATUTORY DEBT LIMITATIONS. Bonds may not be issued under this section in a principal amount that,

1 with all the bonds and warrants of the county, exceeds 0.68% of the total assessed value of taxable
2 property, determined as provided in 15-8-111, in the county, exclusive of the total assessed value of
3 taxable property in all incorporated cities and towns located in whole or in part within the county.

4 (6) Bonds issued under this section are legal and valid obligations of the county, and the full faith
5 and credit of the county must be irrevocably pledged to the prompt payment of the principal of the bonds
6 and interest on the bonds as they become due. Property taxes for the payment of the principal or interest
7 may not be levied by the county against the taxable property in the incorporated area of a city or town
8 located in whole or in part within the county.

9 (7) The powers conferred on a county by this section to provide financing for county roads and
10 highways are in addition to the powers conferred by any other general, special, or local law. To the extent
11 that the provisions of this section are inconsistent with the provisions of any other general, special, or local
12 law, the provisions of this section are controlling. To the extent that the provisions of other general,
13 special, or local laws apply to the acquisition of the property or the letting, undertaking, or completion of
14 the work to be financed by bonds issued under this section, the provisions are applicable to the acquisition
15 or work.

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17 **Section 2.** Section 7-14-2521, MCA, is amended to read:

18 **"7-14-2521. Bond financing for county bridges authorized.** Subject to the limitations and
19 restrictions provided in the ~~constitution and code law~~, each board of county commissioners may issue
20 bonds upon the faith and credit of the county for the construction or improvement of county roads, state
21 highways, and bridges."

22
23 **Section 3.** Section 7-14-2522, MCA, is amended to read:

24 **"7-14-2522. County road and bridge bonds authorized.** (1) Each board may issue, negotiate, and
25 sell coupon bonds on the credit of the county:

26 (a) to construct, or improve, or acquire rights-of-way for public highways or bridges;

27 (b) to refund, pay, and redeem optional, redeemable, or maturing highway or bridge bonds when
28 there are not sufficient funds available and it is ~~deemed~~ considered in the best interests of the county to
29 refund the bonds.

30 (2) The bonds ~~shall~~ must be issued as provided in 7-7-2201."

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2 NEW SECTION. **Section 4. Codification instruction.** [Section 1] is intended to be codified as an
3 integral part of Title 7, chapter 14, part 25, and the provisions of Title 7, chapter 14, part 25, apply to
4 [section 1].

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6 NEW SECTION. **Section 5. Effective date.** [This act] is effective on passage and approval.

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